Danville Utility Commission Meeting Agenda
4:00 p.m., August 22, 2022

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

II. Discussion/Business Items

A. Minutes of the July 25, 2022 Commission Meeting

B. Review of Utilities' Financial Statements

C. Electric and Gas Winter Supply Update

III. Communications

A. City Manager

B. Commission Members

C. Public Comments

D. Director's Report

IV. Adjournment

Next Utility Commission Meeting

4:00 p.m. Monday, October 24, 2022

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. July 25, 2022 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present:	Vanessa Cain, Helm Dobbins, Mary Williamson, Sheila Williamson-Branch, Michael Adkins*, Anna Kautzman, Gary Miller
Commission Members Absent:	Steven Merricks, Vic Ingram
Staff Present:	Ryan Dodson, Jason Grey, Janet Davis, Jennifer Holley
Others Present:	

**Michael Adkins was acting City Manager for the meeting*.

Election of Chair/Vice-Chair

Mr. Ryan Dodson from the City Attorney's office called the meeting to order and held the Chairman and Vice Chairman elections. Ms. Williamson-Branch nominated Ms. Cain to the office of Chairman. Hearing no other nominations, Mr. Dodson closed the nominations. All members voted in favor and the nomination passed unanimously. Ms. Cain nominated Mr. Dobbins to the office of Vice Chairman. Hearing no other nominations, Mr. Dodson closed the nominations. All members voted in favor, and the nomination passed unanimously.

Discussion/Business Items

Minutes of June 23, 2022 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from June 23, 2022.

Mr. Dobbins made a motion to approve the minutes. Ms. Kautzman seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Ms. Holley presented the utility financial statements for each utility fund.

Power Supply Update
Jason Grey provided an update on current electric market prices and presented a strategy to mitigate increasing market power supply costs.

Mr. Dobbins asked Mr. Grey to talk more about gas prices in general as prices spiked again on the 25th and due to lack of additional capacity to store natural gas now for the winter months. Mr. Grey responded that Danville Utilities actively injects gas into storage and will use the blended storage price. He added that approximately 55% of Danville Utilities' needs are already met for the year and are looking to increase that to 75-80%.

Dr. Miller asked if the battery storage project could dispatch the 10.5 megawatts over just two hours or could it be dispatched longer. Mr. Grey responded that it can be dispatched over two hours or could be spread out over four hours depending on the recommendation of our partner's analytical software based on the peaking timeframe.

Ms. Kautzman asked if the analytical tool is built into the system to activate automatically or does it require manual intervention. Mr. Grey responded that it is manual, but the battery storage provider has performance building into their contract, so the price in the following year would be based on the performance the prior year.

Williamson-Branch asked for timeframe on implementation of the smart thermostat program and advertising. Mr. Grey responded that he did not anticipate the program beginning until January 2023 and would be advertised through bill inserts and Facebook posts.

American Municipal Power Solar Project

Jason Grey presented a proposal to enter a power purchase agreement with American Municipal Power to purchase 20 megawatts of a 150-megawatt solar project in Ohio to help its members with rising electric market costs. AMP went out for request for proposal earlier this year to identify existing projects in development that their membership could leverage. This resource would provide a low-cost, stable, renewable source of energy, capacity, and renewable energy credits.

Mr. Dobbins asked how this project compares versus the other solar projects Danville Utilities is currently contracted. Mr. Grey responded that the pricing is comparable per megawatt hour, but with renewable energy credits and capacity, can be as low as $30 per megawatt hour, which is advantageous compared to the current cost at $100 per megawatt hour for power.

Ms. Kautzman asked if the pricing is fixed price. Mr. Grey responded that yes, the pricing is fixed.

A motion was made by Mr. Dobbins and seconded by Ms. Williamson-Branch to recommend to City Council approving a 15-year purchase power agreement with American Municipal Power for 20 megawatts of solar energy, capacity, and renewable energy credits at a rate to not exceed $50/megawatt-hour. All members voted in favor and the motion passed.

Department Discussions

Ms. Cain welcomed Ms. Williamson to the Utility Commission.

Mr. Grey also welcomed Ms. Williamson to the Utility Commission.

There was no further communication from commission members or the public.

Adjournment

Ms. Cain stated the next meeting is scheduled for August 24, 2022. Mr. Dobbins made a motion to adjourn. Mr. Williamson-Branch seconded the motion. All members voted in favor, and the motion carried unanimously. There being no further business, Ms. Cain adjourned the meeting at 4:35 p.m.

Submitted by Janet Davis Secretary to the DUC	**August 22, 2022** Date Approved ________________________ Chairman Danville Utility Commission

Commission Item Number: DUC220822 - 1
Utility Commission Meeting: August 22, 2022
Item: II. B. Review of Utilities' Financial Statements

Financial Report

June financials will be reviewed

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2022 (YTD) - PRE CLOSE
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 21-22 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	8,911,831.10	8,283,876.40	26,054,799.38	123,835,314.87	736,661.55	167,822,483.30	160,918,330.00	152,567,002.24
COST OF SALES								
PURCHASED SERVICES	-	-	17,473,601.02	94,964,168.64	73,613.12	112,511,382.78	101,883,430.00	101,730,226.66
PRODUCTION	-	-	-	-	-	-	158,866.34	440,341.68
TOTAL COST OF SALES	-	-	17,473,601.02	94,964,168.64	73,613.12	112,511,382.78	102,042,296.34	102,170,568.34
GROSS PROFIT	8,911,831.10	8,283,876.40	8,581,198.36	28,871,146.23	663,048.43	55,311,100.52	58,876,033.66	50,396,433.90
GROSS PROFIT %	100.00%	100.00%	32.94%	23.31%	90.01%	32.96%	36.59%	33.03%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	2,965,012.68	1,874,533.44	-	1,819,612.73	-	6,659,158.85	7,034,140.34	6,228,100.38
ENGINEERING	-	227,659.33	228,226.87	711,832.83	-	1,167,719.03	1,867,567.11	1,283,195.72
DISTRIBUTION	2,143,141.10	785,739.07	617,993.86	13,030,425.68	-	16,577,299.71	17,353,690.84	17,108,653.54
SERVICE	99,516.42	45,530.84	37,054.30	-	-	182,101.56	406,010.00	213,261.48
METERS & REGULATORS	-	86,308.64	103,694.61	372,950.58	249.60	563,203.43	592,750.00	525,268.59
GENERAL & ADMINISTRATIVE	1,771,831.95	3,314,778.90	3,391,304.19	5,256,881.25	857,154.84	14,591,951.13	15,854,066.06	14,667,938.02
TOTAL OPERATING EXPENSES	6,979,502.15	6,334,550.22	4,378,273.83	21,191,703.07	857,404.44	39,741,433.71	43,108,224.35	40,026,417.73
OPERATING INCOME (LOSS)	1,932,328.95	1,949,326.18	4,202,924.53	7,679,443.16	(194,356.01)	15,569,666.81	15,767,809.31	10,370,016.17
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	(16,926.47)	(19,238.22)	(44,181.63)	(45,167.81)	(3,258.99)	(128,773.12)	271,390.00	568,244.88
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(110,160.09)	-
RECOVERIES AND REBATES	6,007.66	13,289.90	(1,318.63)	700.00	-	18,678.93	(157,500.00)	(97,550.36)
GAIN/LOSS ON DISPOSAL	-	3,387.50	16,918.17	(51,470.70)	-	(31,165.03)	46,500.00	5,469,979.57
JOBBING INCOME (LOSS)	37,783.65	199,135.96	(56,700.00)	882,896.40	12,621.33	1,075,737.34	797,730.00	(276,388.72)
INTEREST ON LONG TERM INDEBTEDNESS	(60,147.95)	(57,864.37)	(31,534.46)	(1,466,065.48)	-	(1,615,612.26)	(1,620,130.00)	(1,720,756.30)
NET INCOME (LOSS)	1,899,045.84	2,088,036.95	4,086,107.98	7,000,335.57	(184,993.67)	14,888,532.67	14,995,639.22	14,313,545.24
OPERATING TRANSFERS IN(OUT)	(830,760.00)	(1,078,300.00)	(3,321,330.00)	(10,697,610.00)	(81,000.00)	(16,009,000.00)	(16,009,000.00)	(15,353,000.04)
NET INCOME AFTER TRANSFERS	1,068,285.84	1,009,736.95	764,777.98	(3,697,274.43)	(265,993.67)	(1,120,467.33)	(1,013,360.78)	(1,039,454.80)
NET ASSETS JULY 1, AS RESTATED	60,362,757.48	48,402,684.39	55,965,540.26	160,619,198.42	8,400,760.74	333,750,941.29		
NET INCOME AFTER TRANSFERS	1,068,285.84	1,009,736.95	764,777.98	(3,697,274.43)	(265,993.67)	(1,120,467.33)		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	39,663.00	-	-	-	-	39,663.00		
NET ASSETS JUNE 30, 2022	61,470,706.32	49,412,421.34	56,730,318.24	156,921,923.99	8,134,767.07	332,670,136.96		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	4,026,285.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,101,950.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	47,535,283.68	32,603,566.55	38,665,386.41	110,709,788.18	6,514,422.20	236,028,447.02		
RESTRICTED FOR PROJECTS IN PROGRESS	6,129,622.03	9,819,933.67	5,750,017.57	7,442,644.67	498,786.11	29,641,004.05		
RESTRICTED FOR ENCUMBRANCES	457,130.44	37,361.66	16,182.80	870,761.48	-	1,381,436.38		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00		
DEFERRED OUTFLOWS - PENSION	(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)		
UNRESTRICTED	2,497,836.73	736,658.54	9,885,393.88	19,679,638.13	623,536.17	33,423,063.45		
TOTAL NET ASSETS	61,470,706.32	49,412,421.34	56,730,318.24	156,921,923.99	8,134,767.07	332,670,136.96		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED - PRE-CLOSE
JUNE 30, 2022

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JUNE 30, 2022
ASSETS							
Equity in pooled Cash and Investments	$	8,501,039.50	10,356,350.85	14,601,846.01	30,021,229.67	1,023,520.46	64,503,986.49
Receivables (Net of allowances for Uncollectible):							
Accounts		1,198,345.48	871,023.34	2,617,564.57	15,126,579.60	32,343.34	19,845,856.33
Power/Gas Cost Recovery		-	-	(127,035.89)	25,071.99	-	(101,963.90)
Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00
Inventory of Gas, Materials and Supplies, at Cost		-	604,922.04	1,072,996.10	2,329,578.90	187,160.64	4,194,657.68
Fixed Assets		104,232,434.76	81,808,041.83	70,404,338.02	307,344,398.10	11,150,493.01	574,939,705.72
Accumulated Depreciation		(51,297,042.94)	(43,243,037.37)	(29,631,801.10)	(136,250,444.21)	(4,298,822.22)	(264,721,147.84)
Deferred Outflows - Pension		(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)
TOTAL ASSETS	$	63,120,834.80	51,304,292.19	59,570,322.71	221,247,603.05	8,189,469.23	403,432,521.98
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	252,377.91	463,311.38	1,995,017.12	12,094,516.79	44,575.23	14,849,798.43
Accrued Interest Payable		22,487.87	20,918.12	12,733.34	562,121.42	-	618,260.75
Customer Deposits		-		-	3,957,777.97	-	3,957,777.97
Accrued Vacation, Sick Leave & Workers Comp.		1,440.00	122,486.36	65,614.08	555,661.68	10,126.93	755,329.05
Deferred Gain / Loss - Refunding Bonds		(104,335.76)	(100,317.40)	(54,554.19)	(1,087,442.77)	-	(1,346,650.12)
Original Issue Premium/Discount (Refunding Bonds)		130,635.19	128,672.65	64,029.13	4,328,465.44	-	4,651,802.41
General Obligation Bonds Payable		1,347,523.44	1,256,799.74	757,164.99	43,421,520.51	-	46,783,008.68
Revenue Bonds Payable		(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable		-	-	-	493,058.02	-	493,058.02
TOTAL LIABILITIES	$	1,650,128.48	1,891,870.85	2,840,004.47	64,325,679.06	54,702.16	70,762,385.02
Net Assets							
Contributed Capital	$	4,026,285.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,101,950.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	47,535,283.68	32,603,566.55	38,665,386.41	110,709,788.18	6,514,422.20	236,028,447.02
Restricted for Incomplete Projects		6,129,622.03	9,819,933.67	5,750,017.57	7,442,644.67	498,786.11	29,641,004.05
Restricted for Subsequent Expenses		457,130.44	37,361.66	16,182.80	870,761.48	-	1,381,436.38
Net Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00
Deferred Outflows - Pension		(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)
Unrestricted		2,497,836.73	736,658.54	9,885,393.88	19,679,638.13	623,536.17	33,423,063.45
Total Retained Earnings	$	57,444,420.88	44,736,138.42	55,389,807.66	143,200,301.46	7,797,518.48	308,568,186.90
TOTAL NET ASSETS	$	61,470,706.32	49,412,421.34	56,730,318.24	156,921,923.99	8,134,767.07	332,670,136.96
TOTAL LIABILITIES AND NET ASSETS	$	63,120,834.80	51,304,292.19	59,570,322.71	221,247,603.05	8,189,469.23	403,432,521.98

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2022

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JUNE 30, 2022
Operating revenues:							
Charges for Services	$	8,911,831.10	8,283,876.40	26,054,799.38	123,835,314.87	736,661.55	167,822,483.30
Operating Expenses:							
Purchased Services	$	-	-	17,473,601.02	94,964,168.64	73,613.12	112,511,382.78
Production		-	-	-	-	-	-
Transmission & Treatment		2,965,012.68	1,874,533.44	-	1,819,612.73	-	6,659,158.85
Engineering		-	227,659.33	228,226.87	711,832.83	-	1,167,719.03
Distribution		2,143,141.10	785,739.07	617,993.86	13,030,425.68	-	16,577,299.71
Service		99,516.42	45,530.84	37,054.30	-	-	182,101.56
Meters & Regulators		-	86,308.64	103,694.61	372,950.58	249.60	563,203.43
Administrative		1,771,831.95	3,314,778.90	3,391,304.19	5,256,881.25	857,154.84	14,591,951.13
Total Operating Expenses	$	6,979,502.15	6,334,550.22	21,851,874.85	116,155,871.71	931,017.56	152,252,816.49
Operating Income (Loss)	$	1,932,328.95	1,949,326.18	4,202,924.53	7,679,443.16	(194,356.01)	15,569,666.81
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		37,783.65	199,135.96	(56,700.00)	882,896.40	12,621.33	1,075,737.34
Interest Income		(16,926.47)	(19,238.22)	(44,181.63)	(45,167.81)	(3,258.99)	(128,773.12)
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		-	3,387.50	16,918.17	(51,470.70)	-	(31,165.03)
Recoveries and Rebates		6,007.66	13,289.90	(1,318.63)	700.00	-	18,678.93
Interest Expense		(60,147.95)	(57,864.37)	(31,534.46)	(1,466,065.48)	-	(1,615,612.26)
Total Non-Operating Revenues (Expenses)	$	(33,283.11)	138,710.77	(116,816.55)	(679,107.59)	9,362.34	(681,134.14)
Income (Loss) Before Operating Transfers	$	1,899,045.84	2,088,036.95	4,086,107.98	7,000,335.57	(184,993.67)	14,888,532.67
Operating Transfers:							
Transfers In (Out)		(830,760.00)	(1,078,300.00)	(3,321,330.00)	(10,697,610.00)	(81,000.00)	(16,009,000.00)
Total Operating Transfers	$	(830,760.00)	(1,078,300.00)	(3,321,330.00)	(10,697,610.00)	(81,000.00)	(16,009,000.00)
Net Income (Loss)	$	1,068,285.84	1,009,736.95	764,777.98	(3,697,274.43)	(265,993.67)	(1,120,467.33)
Net Assets - July 1, 2021, as restated		60,362,757.48	48,402,684.39	55,965,540.26	160,619,198.42	8,400,760.74	333,750,941.29
Net Income (Loss)		1,068,285.84	1,009,736.95	764,777.98	(3,697,274.43)	(265,993.67)	(1,120,467.33)
Contribution In Aid of Construction		39,663.00	-	-	-	-	39,663.00
Net Assets -June 30, 2022	$	61,470,706.32	49,412,421.34	56,730,318.24	156,921,923.99	8,134,767.07	332,670,136.96

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2022

WASTEWATER - PRE CLOSING

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	JUNE 2022	PERCENT OF CURRENT BUDGET	JUNE 2021
OPERATING REVENUE	8,861,030.00		8,861,030.00	8,911,831.10	100.57%	8,845,225.95
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,087,770.00	107,845.36	3,195,615.36	2,965,012.68	92.78%	2,981,222.78
ENGINEERING	-		-	-		-
DISTRIBUTION	2,557,570.00	40,939.97	2,598,509.97	2,143,141.10	82.48%	2,557,277.03
SERVICE	145,590.00		145,590.00	99,516.42	68.35%	106,819.19
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	44,649.68	124.03%	26,126.49
GENERAL & ADMINISTRATIVE	1,726,320.00		1,726,320.00	1,727,182.27	100.05%	1,731,827.02
TOTAL OPERATING EXPENSES	7,553,250.00	148,785.33	7,702,035.33	6,979,502.15	90.62%	7,403,272.51
OPERATING INCOME (LOSS)	1,307,780.00	(148,785.33)	1,158,994.67	1,932,328.95	166.72%	1,441,953.44
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	35,300.00		35,300.00	(16,926.47)	-47.95%	97,731.34
RECOVERIES AND REBATES	-		-	6,007.66		4,982.64
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	42,640.00		42,640.00	37,783.65	88.61%	34,498.77
INTEREST ON LONG TERM INDEBTEDNESS	(60,380.00)		(60,380.00)	(60,147.95)	99.62%	(78,065.17)
NET INCOME (LOSS)	1,325,340.00	(148,785.33)	1,176,554.67	1,899,045.84	161.41%	1,501,101.02
OPERATING TRANSFERS IN (OUT)	(830,760.00)		(830,760.00)	(830,760.00)	100.00%	(705,759.96)
NET INCOME AFTER TRANSFERS	494,580.00	(148,785.33)	345,794.67	1,068,285.84	308.94%	795,341.06
CONTRIBUTION IN AID	40,000.00		40,000.00	39,663.00	99.16%	
REGULAR CAPITAL MAINTENANCE	(811,920.00)	(114,972.59)	(926,892.59)	(393,001.15)	42.40%	
CAPITAL PROJECTS	(3,550,000.00)	(4,875,174.27)	(8,425,174.27)	(2,829,443.68)	33.58%	
DEBT SERVICE	(362,730.00)		(362,730.00)	(362,721.83)	100.00%	
DEPRECIATION	2,048,820.00		2,048,820.00	1,982,557.20	96.77%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2022

WATER - PRE CLOSING

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	JUNE 2022	PERCENT OF CURRENT BUDGET	JUNE 2021
OPERATING REVENUE	9,053,710.00		9,053,710.00	8,283,876.40	91.50%	8,442,625.08
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,910,090.00	93,188.64	2,003,278.64	1,874,533.44	93.57%	1,847,499.07
ENGINEERING	343,080.00	31,926.56	375,006.56	227,659.33	60.71%	228,915.80
DISTRIBUTION	673,400.00	1,582.27	674,982.27	785,739.07	116.41%	794,025.42
SERVICE	133,580.00		133,580.00	45,530.84	34.09%	56,154.05
METERS & REGULATORS	83,870.00		83,870.00	86,308.64	102.91%	81,710.67
BAD DEBT	31,000.00		31,000.00	37,227.13	120.09%	21,246.26
GENERAL & ADMINISTRATIVE	3,442,340.00		3,442,340.00	3,277,551.77	95.21%	3,339,910.13
TOTAL OPERATING EXPENSES	6,617,360.00	126,697.47	6,744,057.47	6,334,550.22	93.93%	6,369,461.40
OPERATING INCOME (LOSS)	2,436,350.00	(126,697.47)	2,309,652.53	1,949,326.18	84.40%	2,073,163.68
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	39,100.00		39,100.00	(19,238.22)	-49.20%	91,754.68
RECOVERIES AND REBATES	16,000.00		16,000.00	13,289.90	83.06%	11,626.15
GAIN/LOSS ON DISPOSAL	1,500.00		1,500.00	3,387.50	225.83%	20,933.50
JOBBING INCOME (LOSS)	67,900.00		67,900.00	199,135.96	293.28%	127,770.30
INTEREST ON LONG TERM INDEBTEDNESS	(58,140.00)		(58,140.00)	(57,864.37)	99.53%	(77,231.87)
NET INCOME (LOSS)	2,502,710.00	(126,697.47)	2,376,012.53	2,088,036.95	87.88%	2,248,016.44
OPERATING TRANSFERS IN (OUT)	(1,078,300.00)		(1,078,300.00)	(1,078,300.00)	100.00%	(950,300.04)
NET INCOME AFTER TRANSFERS	1,424,410.00	(126,697.47)	1,297,712.53	1,009,736.95	77.81%	1,297,716.40
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,944,070.00)	(102,281.25)	(2,046,351.25)	(1,010,158.48)	49.36%	
CAPITAL PROJECTS	(2,544,260.00)	(8,210,552.16)	(10,754,812.16)	(1,911,071.26)	17.77%	
DEBT SERVICE	(392,670.00)		(392,670.00)	(393,178.82)	100.13%	
DEPRECIATION	1,673,710.00		1,673,710.00	1,587,955.20	94.88%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2022

GAS - PRE CLOSING

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	JUNE 2022	PERCENT OF CURRENT BUDGET	JUNE 2021
OPERATING REVENUE	19,630,430.00		19,630,430.00	26,054,799.38	132.73%	19,678,097.67
	-					
COST OF SALES	-					
PURCHASED SERVICES	10,984,320.00		10,984,320.00	17,473,601.02	159.08%	12,228,842.94
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	10,984,320.00	-	10,984,320.00	17,473,601.02		12,228,842.94
GROSS PROFIT	8,646,110.00	-	8,646,110.00	8,581,198.36		7,449,254.73
GROSS PROFIT %	44.04%		44.04%	32.94%		37.86%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT				-		-
ENGINEERING	373,050.00	55,730.73	428,780.73	228,226.87	53.23%	231,393.73
DISTRIBUTION	680,510.00	1,582.27	682,092.27	617,993.86	90.60%	623,723.50
SERVICE	126,840.00		126,840.00	37,054.30	29.21%	50,288.24
METERS & REGULATORS	116,750.00		116,750.00	103,694.61	88.82%	89,005.58
BAD DEBT	90,000.00		90,000.00	56,708.45	63.01%	37,780.79
GENERAL & ADMINISTRATIVE	3,587,350.00	9,546.28	3,596,896.28	3,334,595.74	92.71%	3,447,225.03
TOTAL OPERATING EXPENSES	4,974,500.00	66,859.28	5,041,359.28	4,378,273.83	86.85%	4,479,416.87
OPERATING INCOME (LOSS)	3,671,610.00	(66,859.28)	3,604,750.72	4,202,924.53	116.59%	2,969,837.86
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	53,110.00		53,110.00	(44,181.63)	-83.19%	103,914.07
RECOVERIES AND REBATES	(20,000.00)		(20,000.00)	(1,318.63)	6.59%	(383.53)
GAIN/LOSS ON DISPOSAL	-		-	16,918.17	0.00%	20,933.50
JOBBING INCOME (LOSS)	119,800.00		119,800.00	(56,700.00)	-47.33%	80,723.90
INTEREST ON LONG TERM INDEBTEDNESS	(31,590.00)		(31,590.00)	(31,534.46)	99.82%	(38,132.82)
NET INCOME (LOSS)	3,792,930.00	(66,859.28)	3,726,070.72	4,086,107.98	109.66%	3,136,892.98
OPERATING TRANSFERS IN (OUT)	(3,321,330.00)		(3,321,330.00)	(3,321,330.00)	100.00%	(3,186,330.00)
NET INCOME AFTER TRANSFERS	471,600.00	(66,859.28)	404,740.72	764,777.98	188.96%	(49,437.02)
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(813,510.00)	(101,196.85)	(914,706.85)	(332,201.63)	36.32%	
CAPITAL PROJECTS	(1,213,790.00)	(4,907,652.97)	(6,121,442.97)	(953,930.62)	15.58%	
DEBT SERVICE	(132,210.00)		(132,210.00)	(132,720.68)	100.39%	
DEPRECIATION	1,573,910.00		1,573,910.00	1,589,068.20	100.96%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2022

ELECTRIC - PRE CLOSING

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	JUNE 2022	PERCENT OF CURRENT BUDGET	JUNE 2021
OPERATING REVENUE	122,710,850.00		122,710,850.00	123,835,314.87	100.92%	114,862,652.78
COST OF SALES						
PURCHASED SERVICES	90,841,110.00		90,841,110.00	94,964,168.64	104.54%	89,436,078.32
PRODUCTION	-	158,866.34	158,866.34	-		440,341.68
TOTAL COST OF SALES	90,841,110.00	158,866.34	90,999,976.34	94,964,168.64		89,876,420.00
GROSS PROFIT	31,869,740.00	(158,866.34)	31,710,873.66	28,871,146.23		24,986,232.78
GROSS PROFIT %	25.97%		25.84%	23.31%		21.75%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,775,300.00	59,946.34	1,835,246.34	1,819,612.73	99.15%	1,399,378.53
ENGINEERING	1,018,860.00	44,919.82	1,063,779.82	711,832.83	66.92%	822,886.19
DISTRIBUTION	13,411,230.00	(13,123.67)	13,398,106.33	13,030,425.68	97.26%	13,133,627.59
SERVICE	-		-	-		-
METERS & REGULATORS	392,130.00		392,130.00	372,950.58	95.11%	354,552.34
BAD DEBT	350,000.00		350,000.00	419,175.77	119.76%	322,639.59
GENERAL & ADMINISTRATIVE	5,386,780.00	243,721.78	5,630,501.78	4,837,705.48	85.92%	4,885,856.48
TOTAL OPERATING EXPENSES	22,334,300.00	335,464.27	22,669,764.27	21,191,703.07	93.48%	20,918,940.72
OPERATING INCOME (LOSS)	9,535,440.00	(494,330.61)	9,041,109.39	7,679,443.16	84.94%	4,067,292.06
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	135,000.00		135,000.00	(45,167.81)	-33.46%	267,570.59
ENERGY EFFICIENCY RECOVERY	-	(110,160.09)	(110,160.09)	-	0.00%	-
RECOVERIES AND REBATES	(153,500.00)		(153,500.00)	700.00	-0.46%	(113,775.62)
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	(51,470.70)	-114.38%	5,428,112.57
JOBBING INCOME (LOSS)	570,830.00		570,830.00	882,896.40	154.67%	(511,582.61)
INTEREST ON LONG TERM INDEBTEDNESS	(1,470,020.00)		(1,470,020.00)	(1,466,065.48)	99.73%	(1,527,326.44)
NET INCOME (LOSS)	8,662,750.00	(604,490.70)	8,058,259.30	7,000,335.57	86.87%	7,610,290.55
OPERATING TRANSFERS IN (OUT)	(10,697,610.00)		(10,697,610.00)	(10,697,610.00)	100.00%	(10,429,610.04)
NET INCOME AFTER TRANSFERS	(2,034,860.00)	(604,490.70)	(2,639,350.70)	(3,697,274.43)	140.08%	(2,819,319.49)
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(3,638,070.00)	(354,024.10)	(3,992,094.10)	(2,087,637.40)	52.29%	
CAPITAL PROJECTS	(551,240.00)	(14,189,172.22)	(14,740,412.22)	(9,312,475.74)	63.18%	
DEBT SERVICE	(3,354,780.00)	-	(3,354,780.00)	(3,364,631.62)	100.29%	
DEPRECIATION	8,980,360.00		8,980,360.00	8,182,593.60	91.12%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2022

TELECOMMUNICATIONS - PRE CLOSING

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	JUNE 2022	PERCENT OF CURRENT BUDGET	JUNE 2021
OPERATING REVENUE	662,310.00		662,310.00	736,661.55	111.23%	738,400.76
COST OF SALES						
PURCHASED SERVICES	58,000.00		58,000.00	73,613.12	126.92%	65,305.40
PRODUCTION			-	-		-
TOTAL COST OF SALES	58,000.00	-	58,000.00	73,613.12		65,305.40
GROSS PROFIT	604,310.00	-	604,310.00	663,048.43		673,095.36
GROSS PROFIT %	91.24%		91.24%	90.01%		91.16%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	249.60		127.36
GENERAL & ADMINISTRATIVE	937,420.00	13,588.00	951,008.00	857,154.84	90.13%	855,198.87
TOTAL OPERATING EXPENSES	937,420.00	13,588.00	951,008.00	857,404.44	90.16%	855,326.23
OPERATING INCOME (LOSS)	(333,110.00)	(13,588.00)	(346,698.00)	(194,356.01)	56.06%	(182,230.87)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	8,880.00		8,880.00	(3,258.99)	-36.70%	7,274.20
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(3,440.00)		(3,440.00)	12,621.33	-366.90%	(7,799.08)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(327,670.00)	(13,588.00)	(341,258.00)	(184,993.67)	54.21%	(182,755.75)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(81,000.00)	100.00%	(81,000.00)
NET INCOME AFTER TRANSFERS	(408,670.00)	(13,588.00)	(422,258.00)	(265,993.67)	62.99%	(263,755.75)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(53,880.58)	215.52%	
CAPITAL PROJECTS	(50,000.00)	(528,576.58)	(578,576.58)	(52,531.92)	9.08%	
DEPRECIATION	479,950.00		479,950.00	445,627.68	92.85%	

GAS OPERATING STATISTICS
YTD June 2022 and 2021

	YTD 2022	YTD 2021	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	13,249	13,204	45	0.3408%
Commercial	1,512	1,496	16	1.0695%
Small Firm Industrial	14	14	0	0.7143%
Municipal	50	52	-2	-3.0769%
Large Firm Industrial	4	4	0	0.0000%
Interruptible Industrial	6	6	0	0.0000%
Industrial Transportation	6	6	0	0.0000%
Interruptible Commercial	1	1	0	0.0000%
Commercial Transportation	-	-	0	0.0000%
TOTAL CUSTOMERS	14,843	14,783	60	0.4025%
NATURAL GAS SALES-DEKATHERMS:				
Residential	757,476	810,263	-52,787	-6.5148%
Commercial	437,594	433,977	3,617	0.8335%
Small Firm Industrial	34,173	31,642	2,531	7.9989%
Municipal	18,901	21,341	-2,440	-11.4334%
Large Firm Industrial	76,183	63,950	12,233	19.1290%
Interruptible Industrial	1,869,203	1,687,152	182,051	10.7904%
Industrial Transportation	228,750	219,907	8,843	4.0212%
Interruptible Commercial	84,182	107,421	-23,239	-21.6336%
Commercial Transportation	-	-	0	0.0000%
TOTAL DEKATHERMS	3,506,462	3,375,653	130,809	3.8751%

ELECTRIC OPERATING STATISTICS
YTD June 2022 and 2021

	YTD 2022	YTD 2021	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	37,344	37,168	176	0.4735%
Commercial	4,822	4,763	59	1.2387%
Industrial	17	16	1	6.2500%
High Load Factor	8	7	1	14.2857%
Municipal	280	283	-3	-1.0601%
Outdoor Lighting	6,091	6,048	43	0.7110%
TOTAL CUSTOMERS	48,562	48,285	277	0.5737%
KILOWATT HOURS SALES:				
Residential	452,815,393	457,369,507	-4,554,114	-0.9957%
Commercial	256,238,965	254,198,991	2,039,974	0.8025%
Industrial	16,271,980	11,674,090	4,597,890	39.3854%
High Load Factor	133,885,200	127,196,400	6,688,800	5.2586%
Municipal	22,561,648	22,136,861	424,787	1.9189%
Outdoor Lighting	13,839,989	14,360,902	-520,913	-3.6273%
TOTAL KILOWATT HOURS	895,613,175	886,936,751	8,676,424	0.9782%

KEY IN YELLOW CELLS ONLY. TWEAK THE PCA IN COLUMN "L" TO ACHIEVE THE DESIRED RECOVERY.

BILLING MONTH	TOTAL POWER COST	HLF POWER COST	**NON-HLF POWER COST**	TOTAL kWh SALES	HLF kWh SALES	NON-HLF kWh SALES	PCA / kWh	POWER COST / kWh RECOVERED IN BASE RATE	TOTAL POWER COST / kWh RECOVERED	HLF STRANDED COSTS RECOVERED	**NON-HLF POWER COST RECOVERED**	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	**CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - $4,000,000)**	
Feb-22	$ 8,086,798.27	$ 952,788.07	**$ 7,134,010.20**	91,868,808	10,824,000	81,044,808	$0.010000	$0.086200	$0.096200		**$ 7,796,510.53**	$ 662,500.33		**$ (369,088.54)**	ACTUAL
Mar-22	$ 7,904,041.28	$ 1,201,333.83	**$ 6,702,707.45**	66,501,821	10,107,600	56,394,221	$0.020000	$0.086200	$0.106200		**$ 5,989,066.27**	$ (713,641.18)		**$ (1,082,729.71)**	ACTUAL
Apr-22	$ 8,062,455.32	$ 1,389,042.39	**$ 6,673,412.93**	64,999,168	11,198,400	53,800,768	$0.035000	$0.086200	$0.121200		**$ 6,520,653.08**	$ (152,759.85)		**$ (1,235,489.56)**	ACTUAL
May-22	$ 7,443,751.72	$ 1,324,646.72	**$ 6,119,105.00**	60,743,727	10,809,600	49,934,127	$0.060000	$0.086200	$0.146200		**$ 7,300,369.37**	$ 1,181,264.37		**$ (54,225.20)**	ACTUAL
Jun-22	$ 8,474,484.73	$ 1,361,212.05	**$ 7,113,272.68**	73,229,060	11,762,400	61,466,660	$0.030000	$0.086200	$0.116200		**$ 7,142,425.89**	$ 29,153.21		**$ (25,071.98)**	ACTUAL
Jul-22	$ 7,865,044.81	$ 1,098,217.17	**$ 6,766,827.64**	81,619,870	11,396,800	70,223,070	$0.015000	$0.086200	$0.101200		**$ 7,106,574.67**	$ 339,747.03		**$ 314,675.05**	PROJECTED
Aug-22	$ 8,052,971.44	$ 1,074,999.76	**$ 6,977,971.68**	89,396,243	11,933,600	77,462,643	$0.015000	$0.086200	$0.101200		**$ 7,839,219.49**	$ 861,247.81		**$ 1,175,922.86**	PROJECTED
Sep-22	$ 7,413,558.23	$ 1,037,953.30	**$ 6,375,604.93**	86,603,969	12,125,200	74,478,769	*$0.022000*	$0.086200	$0.108200		**$ 8,058,602.86**	$ 1,682,997.93		**$ 2,858,920.79**	PROJECTED
Oct-22	$ 7,348,746.82	$ 1,189,697.10	**$ 6,159,049.72**	69,777,747	11,296,400	58,481,347	*$0.022000*	$0.086200	$0.108200		**$ 6,327,681.78**	$ 168,632.06		**$ 3,027,552.86**	PROJECTED

Future months (still in blue) show projections.

After PGA's are calculated, hard code them before reconciling the month

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	DEMAND Recovery (Independent of Commod) Cum Over (Under) Demand Recovery Current FY	COMMODITY - Rolling Recovery (Does not include Demand Recovery) Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commod Over (Under) Recovery	Adjustments	Commodity Recovery Balance Over (Under) +/- $2,000,000	
Feb-22	$ 4.45966	$ 4.45966	$ 2.10000	$ -	$ 0.25000	$ 6.29488	$ 4.19488	$ 122,872.32	$ 1,893,769.92	$ 2,387,081.13	$ 493,311.21		($483,088.34)	Final
Mar-22	$ 4.25134	$ 4.25134	$ 2.46592	$ -	$ 0.27500	$ 6.64432	$ 4.17840	$ 350,206.95	$ 1,335,815.25	$ 1,404,571.20	$ 68,755.95		($414,332.39)	Final
Apr-22	$ 5.22280	$ 5.22280	$ 1.70000	$ -	$ (0.25000)	$ 5.42136	$ 3.72136	$ 361,682.27	$ 1,218,066.22	$ 1,317,317.73	$ 99,251.51		($315,080.88)	Final
May-22	$ 5.60546	$ 5.60546	$ 0.76592		$ 0.50000	$ 7.28570	$ 6.51978	$ 198,980.26	$ 1,258,051.03	$ 1,498,134.65	$ 240,083.62		($74,997.26)	Final
Jun-22	$ 5.21693	$ 5.21693	$ -	$ -	$ 1.50000	$ 7.46549	$ 7.46549	$ (2,917.54)	$1,255,911.53	$ 1,457,944.68	$ 202,033.15		$127,035.89	FY FINAL
Jul-22	$ 6.25815	$ 6.25815	$ -	$ -	$ -	$ 6.25815	$ 6.25815	$ (212,418.86)	$ 852,166.04	$ 1,000,745.41	$ 148,579.37		$275,615.26	Est
Aug-22	$ 6.14144	$ 6.14144	$ -	$ -	$ 1.00000	$ 7.14144	$ 7.14144	$ (416,726.86)	$ 1,066,956.49	$ 1,075,701.15	$ 8,744.67		$284,359.93	Est
Sep-22	$ 6.07806	$ 6.07806	$ -	$ -	$ 0.50000	$ 6.57806	$ 6.57806	$ (613,190.84)	$ 1,100,765.59	$ 1,156,266.60	$ 55,501.01		$339,860.94	Est
Oct-22	$ 5.81536	$ 5.81536	$ -	$ -	$ 1.50000	$ 7.31536	$ 7.31536	$ (817,498.84)	$ 1,285,050.37	$ 1,284,105.58	$ (944.79)		$338,916.15	Est

Commission Item Number: DUC220822 - 2
Utility Commission Meeting: August 22, 2022
Item: II. C. Electric and Gas Winter Supply Update

Electric and Gas Winter Supply Update

Jason Grey will provide an overview of this winter's plans to protect against higher electric and natural gas market prices. Included will be a recommendation to enter into a three-year purchase power agreement with American Municipal Power for 20 MWs from a wind farm in Pennsylvania.

Recommendation:

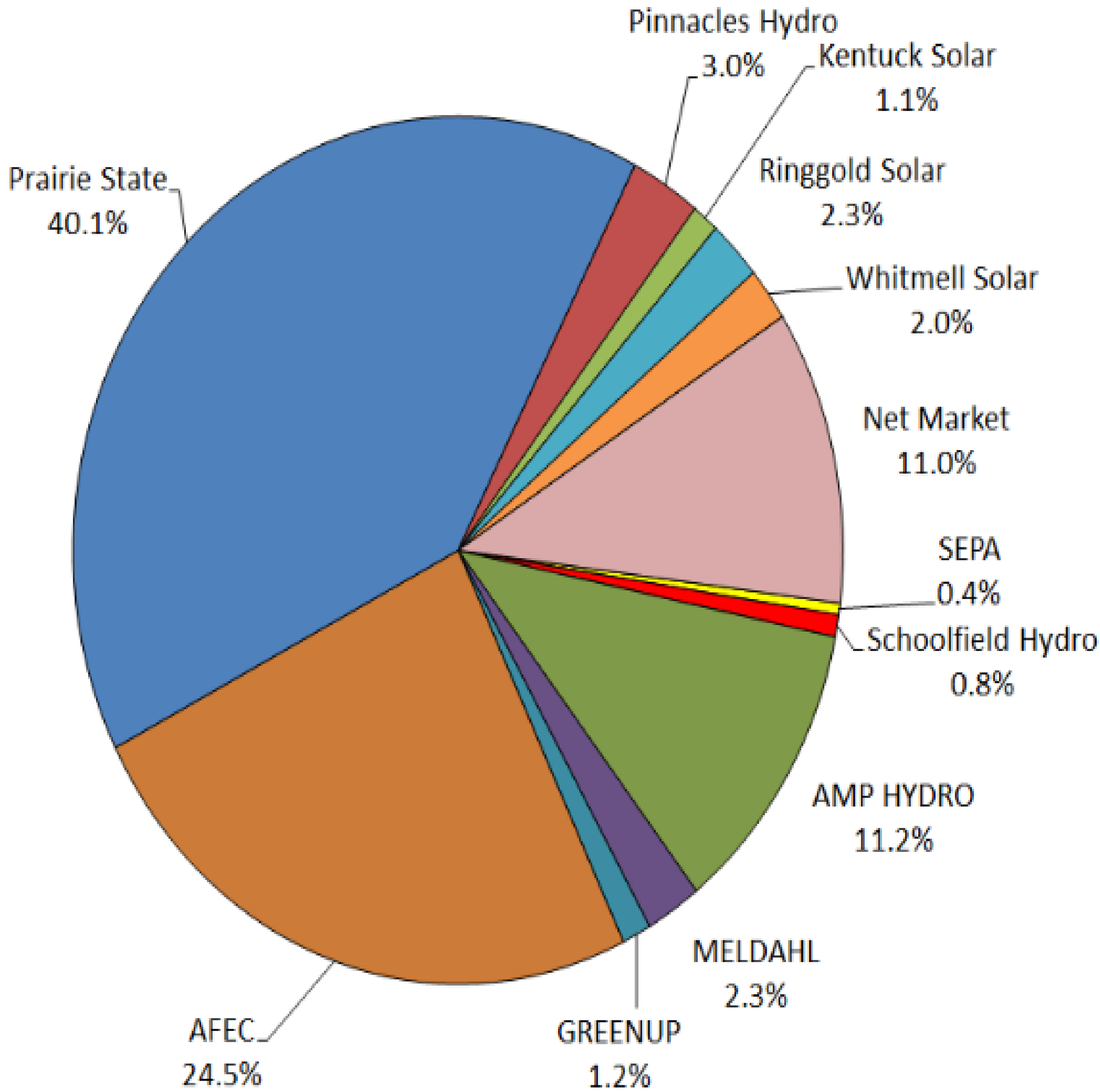
I move that the Danville Utility Commission recommend to City Council approving a three-year purchase power agreement with American Municipal Power for 20 megawatts of wind energy at $47.75/megawatt-hour starting October 1, 2022.

WINTER SUPPLY UPDATE

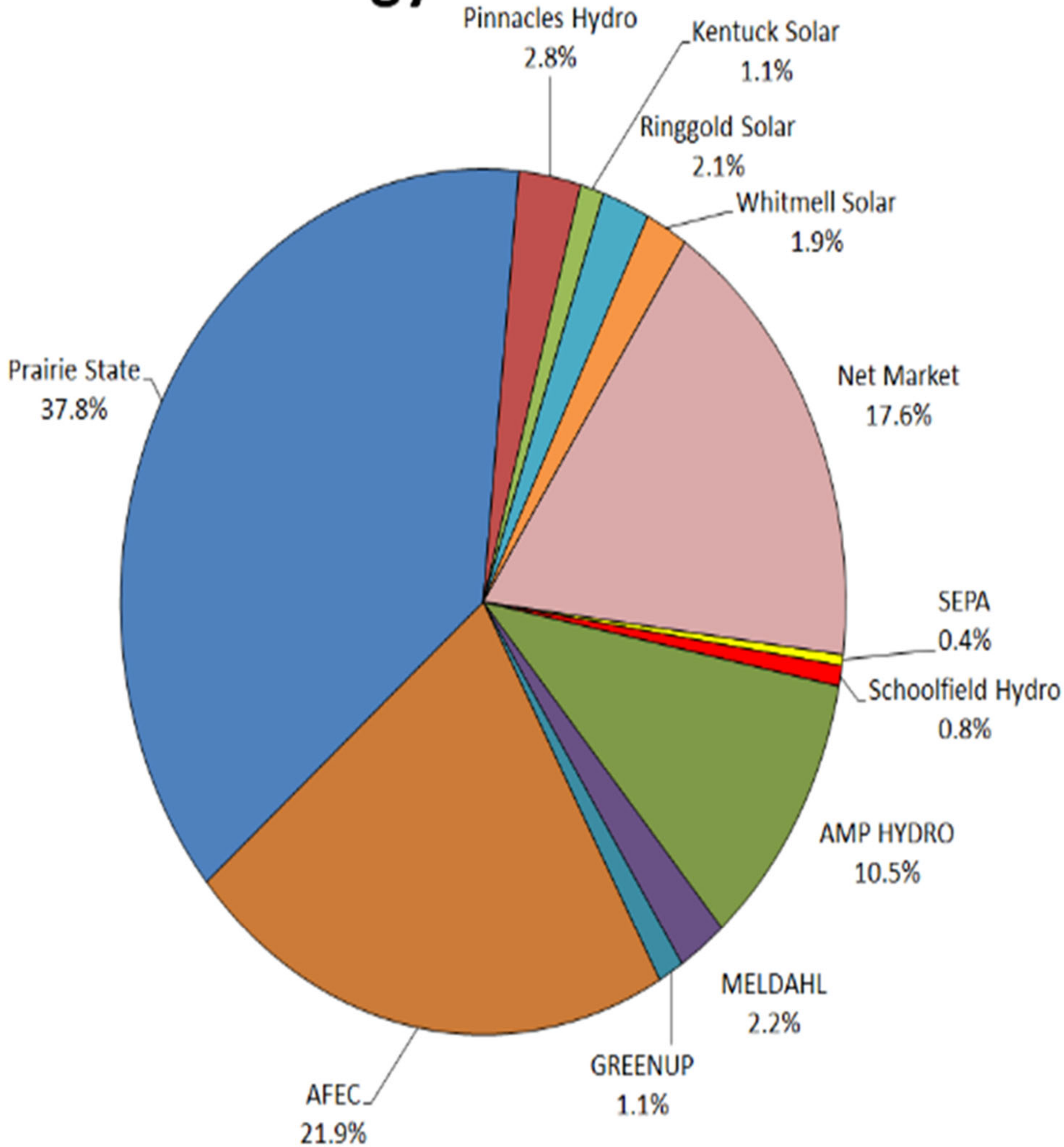
Danville Utility Commission

August 22, 2022

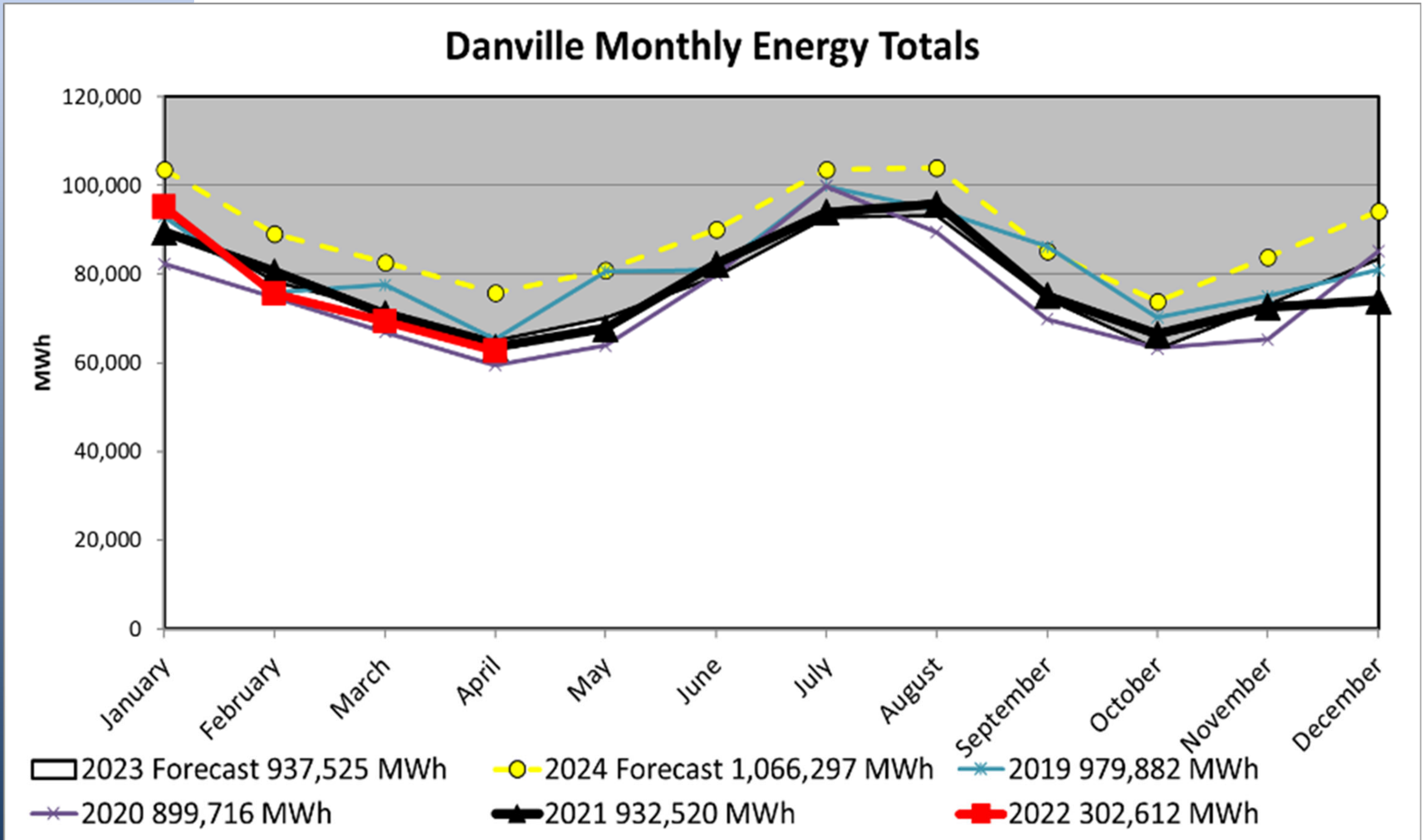
Danville 2023 Energy Sources



Danville 2024 Energy Sources



FUTURE LOAD FORECAST



ELECTRIC PROJECT RATES

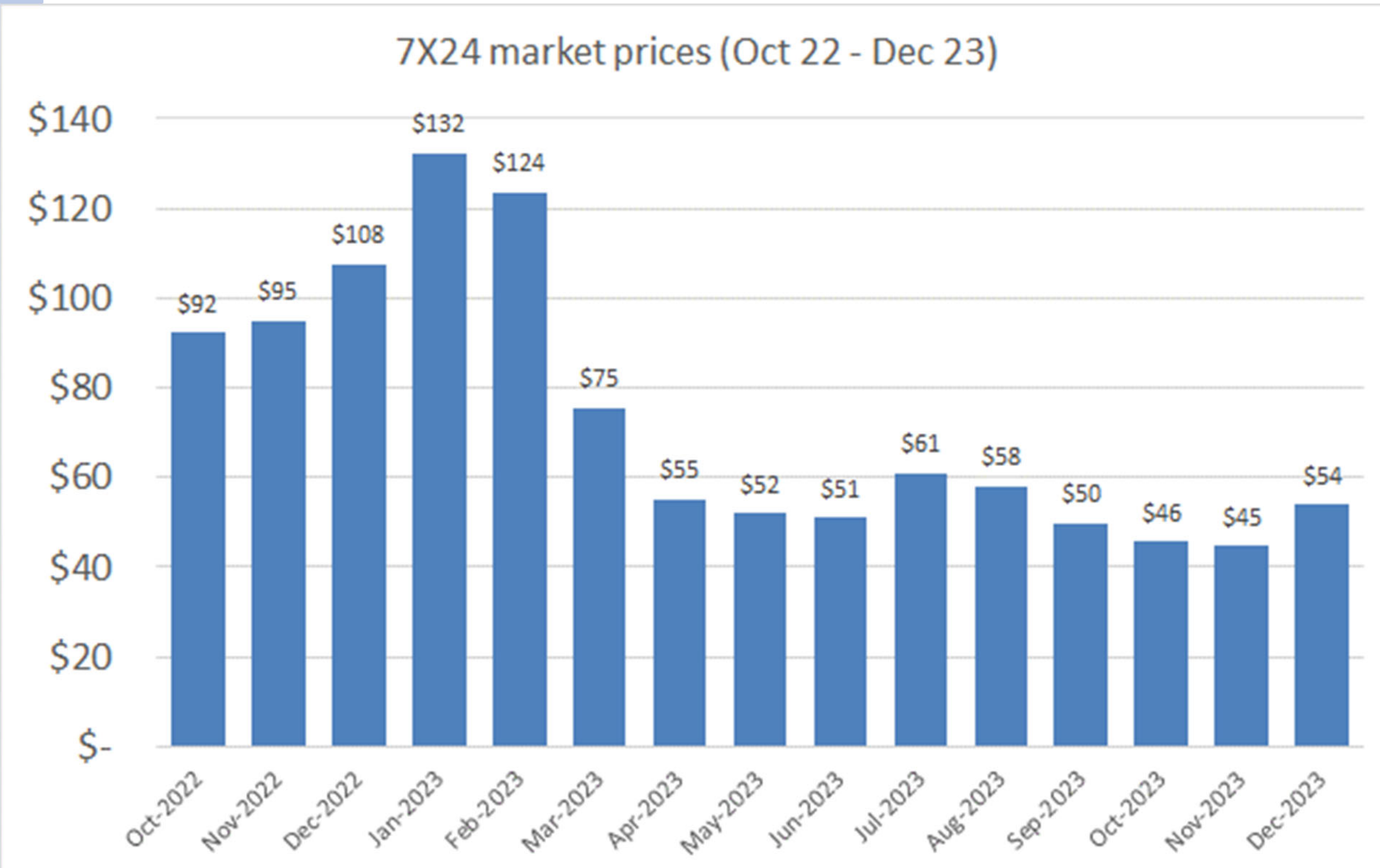
- Prairie State (coal)-$64.98/mWh
- Fremont (gas)-$58.74/mWh
- AMP Hydros-$143.78/mWh
- Meldahl-$85.79/mWh
- Greenup-$83.49/mWh
- SEPA-$49.26/mWh- no RECs
- Schoolfield Hydro-$51.15/mWh- no RECs
- Ringgold Solar- ($1.78/mWh)- no RECs
- Whitmell Solar-($8.43/mWh)
- Kentuck Solar-$17.08/mWh
- Pinnacles Hydro-$19.34/mWh- no RECs
- Market Purchases-~$125.00+/mWh

- POWER SUPPLY AVG=$75.79/mWh

- Transmission-$28.64/mWh
- PJM Capacity-$4.61/mWh

- TOTAL POWER SUPPLY AVG=$107.74/mWh

ELECTRIC MARKET PRICES



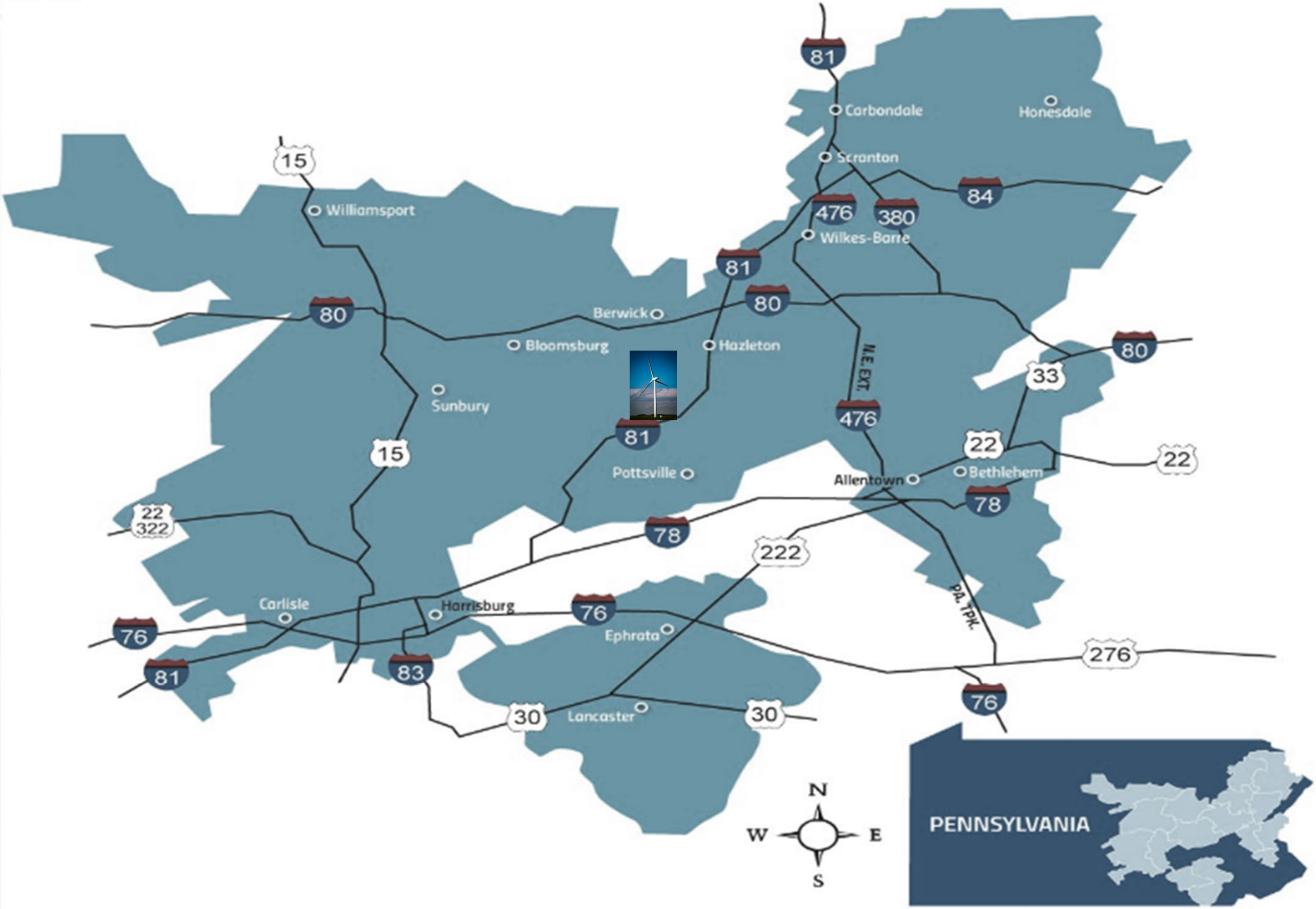
ELECTRIC STRATEGY

- Reduce market purchases to approximately 10% or less.
- Leave 10% or less on market to allow for daily fluctuations in load or additional solar. Longer term blocks typically sell as:

  January – February

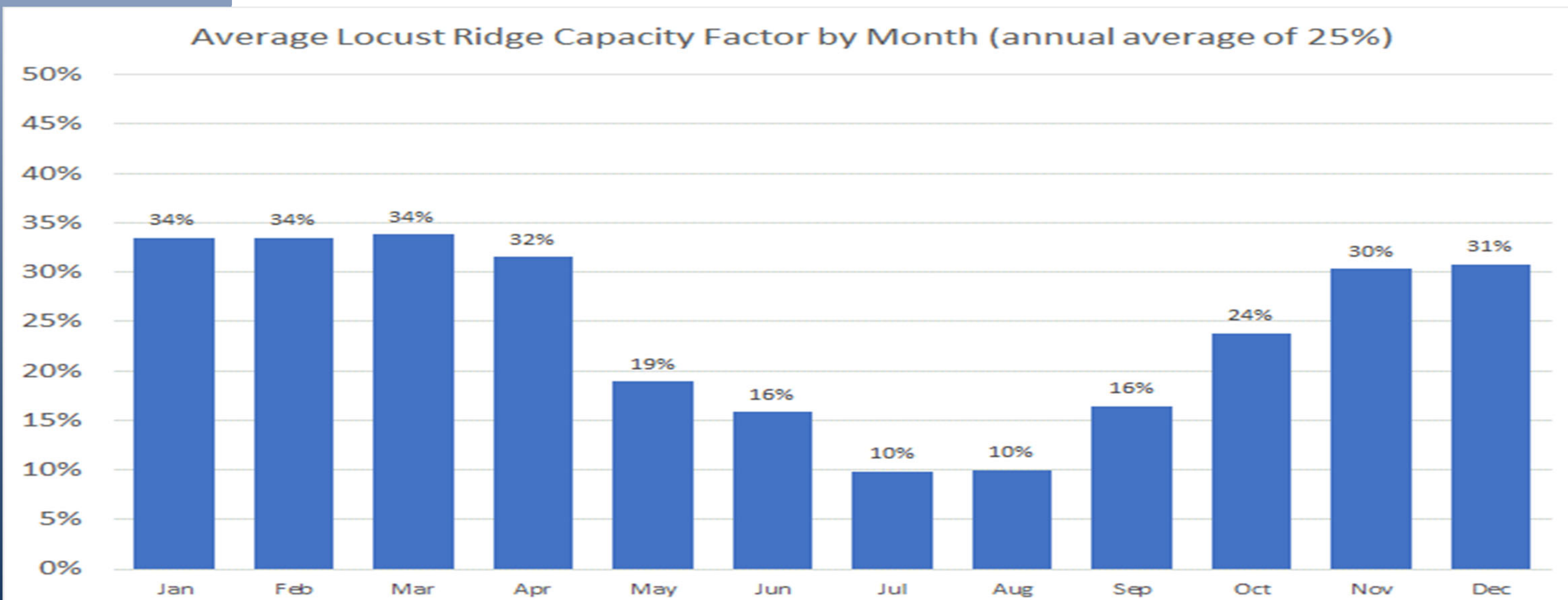
  July – August

LOCUST RIDGE WIND FARM



3-YEAR PURCHASE POWER AGREEMENT

- October 1, 2022-September 30, 2025
- Lower market exposure ~5%
- ~44,000 mWh/year
- Wind Farms=Winter resource
- $47.75/mWh-Energy only



Natural Gas

HISTORICAL GAS PRICES

CURRENT NG HEDGES

Winter 22-23	Needs	% Hedged	Future Purchases	Total	%Hedged w/Triggers
22-Oct	172,088	83%		142,150	83%
22-Nov	286,247	62%	40,000	218,386	76%
22-Dec	334,733	64%	45,000	259,295	78%
23-Jan	419,179	58%	100,000	341,437	81%
23-Feb	341,586	68%	54,000	286,039	84%
23-Mar	269,598	71%	39,000	230,027	85%

	DAN Hedge #1	DAN Hedge #2	DAN Hedge #3
Oct-22	$2.97000	$4.17500	$6.40500
Nov-22	$2.97000	$4.17500	$6.40500
Dec-22	$3.00000	$4.17500	$6.40500
Jan-23	$3.00000	$4.17500	$6.40500
Feb-23	$3.00000	$4.17500	$6.40500
Mar-23	$3.00000	$4.17500	$6.40500

DAN Hedged Volumes

Oct-22	25,000	4,000	7,400
Nov-22	40,000	8,800	17,000
Dec-22	60,000	18,700	37,000
Jan-23	70,000	24,700	45,000
Feb-23	40,000	27,600	57,000
Mar-23	35,000	21,200	39,000

RECOMMENDATIONS

- **Electric**-enter into a three-year 20 MW energy only purchase power agreement
- **Natural Gas**-Purchase up to 20% Nov-March gas volume needs for $6.50 or less.

Questions?